

# Multichannel Marketing:

Connecting with Customers Across Channels

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## Introduction

We live in a multichannel world, where consumers have a plethora of channels to engage and interact within. These channels can be a website, email, a brick-and-mortar business, a mail order catalog, etc.

However, it is not enough to simply be where the consumer is present, but also maintain brand consistency across all channels. This is no easy task since the media landscape is fragmented. In the new media environment, independently operating channels must give way to consumers' expectations of a seamless experience at every touch point. Integrating all of these experiences represents a significant undertaking for companies.

Marketing messages no longer occur in a vacuum; people often interact with multiple types of media simultaneously. In fact, more than three quarters of consumers use two or more channels to research and purchase a product. Unfortunately, there is no single or comprehensive way to reach across traditional, digital, mobile and social channels.

As a result, retailers struggle to find a uniform voice that can be understood and echoed across all media. It is tricky to pull off such consistency and coordination.

Multichannel marketing is the big buzzword in retail. According to Forrester Research, 68% of U.S. e-commerce managers say that their company desires a vision for a consistent, non-fragmented, cross-channel experience, but only 29% feel they have the ability to accomplish this task. If harnessed properly multichannel marketing holds the potential to increase understanding of customers and improve conversion rates and profitability. This whitepaper will serve as a framework for how to achieve multichannel marketing success in your organization.

## It's All in the Data

Data is the critical foundation for multichannel marketing. It is the building block that helps shape strategy and campaign content.

Accessing customer data quickly and consistently is a business imperative across all markets because it drives actionable insights and marketing decisions. This information also helps develop customer relationships and relevant content.

## Data Capture

Businesses must provide a customer-centric and consistent experience across every customer touchpoint – in person, phone, email, chat and the web. To achieve this, businesses must capture information at every customer interaction. There is a myriad of information about customers at marketers' fingertips for analysis and action. There are vast stores of online and offline customer data. The secret is whether you are collecting as

much as you should. After all, when consumers are prompted they will voluntarily provide information such as their name, email, and address. Enable technology that will easily capture and store this information. Also, make sure your data capture strategy is aligned across all channels. If you collect email addresses on your website then why not obtain them at point-of-sale? The more congruence in data collection the better.

## Data Hygiene

Remember that data, particularly customer data, is the foundation to multichannel marketing. Without data quality processes and systems, we can expect dismal results from integrated marketing campaigns. Thus, the quest for high-quality data should be never-ending, since customer data is highly volatile. It is estimated that 2% of customer records are corrupted each month in CRM databases.

Data hygiene techniques must be implemented to ensure the highest level of data quality. The best way to tackle this is to find a data quality provider whose core competency is in data hygiene. For example, Informatica can handle and cleanse customer data obtained from point-of-sale, website, call center, social media, survey, email, etc. Everywhere you collect customer data should have some front-end technology put in place to cleanse the information in real-time.

While you know and understand your data better than anyone else, a third-party can be very beneficial in adding value.

## The Four “I”s of Multichannel Marketing

Once we have captured and cleaned customer data a rich foundation has been built. The key is how you tap into that foundation to obtain an integrated, multidimensional view of the customer.

To fully use your customer data for multichannel marketing, we recommend relying on the four “I”s:

- Integration: capture and connect data across all media
- Insight: analyze data to discover customer profiles and strategy
- Interaction: optimize customer experience with personalization and relevancy
- Iteration: measure and refine marketing performance to drive quantifiable business results

In other words, marketers must first create processes and systems to capture and cleanse all data available on the consumer. Next, they need to look for linkages and gaps within their data (fill in what is missing) across all channels (i.e. “integration”). Integrated, enriched data enables the 360-degree view of the customer, and it provides analytics for marketers to create a strategy and relevant content (i.e. “insight”).

Personalized and tailored content then should be delivered within the appropriate marketing channels of traditional, digital, mobile and social media (i.e. “interaction”). Lastly, key performance indicators (KPIs) are employed to measure campaign effectiveness, so this multichannel process can continuously be built and improved upon (i.e. “iteration”).

## Integration

Learning how to tie stores of data together is vital. Businesses oftentimes communicate and transact through separate channels, causing a siloed data problem where they are unable to pull all of the information together.

The right technology eliminates this problem by integrating data across channels and departmental silos, as well as combining with third-party data. As discussed, multichannel marketing hinges upon data that is fundamentally sound and of the best quality possible. Integration is dependent upon if data has been cleansed, corrected, validated and verified.

First, validate and standardize data so you can use linkage techniques to bring together disparate channel information and eliminate duplicate and redundant information.

Secondly, examine to see if there are any gaps in your customer data. This is where integrating third-party data can be beneficial. Enrich and enhance customer data by appending information from trusted external sources. Smart enterprises understand the need to add valuable information to existing records – demographics, geospatial, and other data elements – to deliver a more accurate view of the customer.

The end-result is not only a cleansed customer record, but one that is enriched and actionable.

## Insight

There is a greater degree of scrutiny being applied to marketing than ever before. There is the expectation for companies to develop strategies that clearly show tangible returns. The marketing decisions you make need data to support them. Once we have integrated data, actionable insights and strategy emerge.

## Interaction

Customers are very demanding of their brands. They expect brands to be engaging, respectful, and relevant. Two-way interactions are critical opportunities for brands to actively connect with customers in conversations while delivering rich experiences.

Personalization begins with customer profiles, or what organizations know about customers based on online and offline interactions (e.g. name, gender, age, and geography). The customer profile can be enhanced by adding behavioral information (e.g. buying history, click behavior, search terms, and shopping cart contents). Organizations can group similar profiles into segments and tailor interactions to make the shopping experience more relevant.

However, we should note that personalization does not require an individual plan for each customer. Rather, it is about crafting a plan that feels personal to segments of customers that share similar attributes, attitudes or behaviors. The ultimate goal for your organization is developing a customer interaction strategy that is dynamic and adaptive to the changing conditions of the customer while maximizing ROI.

Every multichannel strategy should be founded in treating a customer as a friend. Customers want to know whether to trust a brand, which depends on whether the company behaves like a stranger or not. Does the customer have to re-enter personal information each time they encounter the brand? Does the brand remember preferences from the last time the customer said they were not interested?

Append solutions were mentioned earlier in being helpful for data integration. These same solutions can be used to enhance the customer experience. They simplify the checkout process by asking for only one piece

of information. These solutions provide companies with full customer records without overburdening the consumer during the checkout process.

Upon completion of strategy and segmentation, focus on content creation and marketing rules that will deliver the right information to the right customer at the right time.

## Iteration

Finally, you need to continuously improve marketing performance by measuring and reporting results, optimizing technology investments, and learning from past campaign failures and successes.

Multichannel marketing is an iterative process. Remember that as your business grows and evolves, so will your data. We constantly will need to improve our data foundation, so it is important to frequently cleanse and enhance information. In addition, KPIs are useful for determining campaign effectiveness to see if you need to tweak strategy or content.

## Mastering the Customer Experience Across Channels

As discussed, one of the biggest challenges for a brand is keeping all touchpoints aligned. How do you create a rich, personalized experience across every channel? We will discuss how retailers can blend the digital and physical selling experiences into one harmonious experience for the consumer.

## Why Brick-and-Mortar Still Matters

The smart digital brands are taking what they know about the digital world and bringing it back to the physical world. Even as digital retail leaders continue to bolster their digital experiences, they have not lost sight of the importance of the brick-and-mortar store, devoting just as much time to getting the details of the living brand experience right within the store as they do to their digital channels.

In the case of international skincare retailer L'Occitane, this means a service-oriented approach and an emphasis on creating a warm and welcoming ambiance, which is coordinated down to the scent that is used in each store.

Studies show that 70% of brand decisions are made at retail, so the physical store still reigns supreme even in today's multichannel world.

Half of all U.S. retail sales are now influenced by online information.

- Forrester Research

## Shopping in the Digital Age

Chains are facing pressure to boost their online sales, which accounted for 9% of total retail sales in the U.S. in 2011. The number is about 10% in the U.K. and 3% in Asia. According to the National Retail Federation (NRF), brick-and-mortar retail sales are 2.8% versus the growth rate of online retail sales which is 15%. Online sales are getting stronger every year. In fact, e-commerce is experiencing double-digit sales growth every year. When looking ahead globally, experts think digital retailing will eventually hit 15-20% of total sales.

Forrester Research has found that half of all U.S. retail sales are now influenced by online information. There is no doubt that we live in a digital age, where information is at the consumer's disposal. There will continue to be a blurring between the digital and physical worlds. Retailers have taken note and they have been making changes. In 2011, Walmart changed the way it manages its global online retail operations. Instead of operating in separate silos, its e-commerce executives now report to its brick and mortar store executives.

## Email is Critical to the Core

Email is the center for all other channels and devices. It continues to grow in usage and value, while driving more revenue and engagement for the brands that use it effectively.

The key to email's effectiveness is tying other marketing campaigns and channels back to it.

Emails have become more sophisticated with many retailers now connecting campaigns with customer-purchase behavior to learn specific interests and habits. Some are also using browser cookies to track consumers' shopping habits on their websites. In 2010, Neiman Marcus began using customer data to tailor its emails. It uses online purchase history, in-store purchase history linked to its credit card, and online cookies that track behavior on its website to learn what brands, categories and types of deals customers favor. For example, Neiman Marcus can send an email about a new Coach promotion to customers who typically buy Coach products.

Neiman Marcus is a great example of a brand successfully using email to link to other channels. It is no surprise that the luxury department store credits email as one of the biggest drivers of online sales.

## Mobile as the Bridge Between Offline and Online

Mobile sales are on the rise as retailers are seeing such devices as a bridge between their online and offline operations.

comScore refers to this multi-device consumer as the "Digital Omnivore," which underscores how consumers are now using a full-spectrum of digital devices. The result is that marketers must understand the new consumer trends in order to achieve unduplicated reach across the entire digital ecosystem.

Since digital encompasses a variety of Internet-powered devices, such as smartphones and tablets, retailers are starting to drop the "e" from "eCommerce." Commerce is a better all-encompassing term for today's multichannel world, where customers want a consistent and seamless shopping experience across all channels.



# Conclusion

A successful multichannel strategy has the potential to revolutionize commerce, where brand-driven retail prevails and channel becomes irrelevant. The brand should be accessible to consumers no matter how or where they prefer to explore and shop.

Multichannel marketing provides strategic direction about where to invest in technology and processes, since its success is heavily dependent upon data quality. Multichannel marketing requires an integrated approach across the customer journey, company silos and disparate systems. It is an iterative process due to data constantly changing with fluctuations in business.

It is clear that the best retail brands understand that every channel matters in the new media landscape. They demonstrate that while a multichannel approach is certainly more complex, if done properly, it pays off.

Retailers will find that the digital and physical arenas complement each other instead of competing, increasing sales and lowering costs. More brands will follow suit by abandoning traditional one-dimensional merchant roles in favor of richer, multidimensional identities.

## About Informatica

Informatica Corporation (Nasdaq:INFA) is the world's number one independent provider of data integration software. Organizations around the world rely on Informatica to realize their information potential and drive top business imperatives. Informatica Vibe, the industry's first and only embeddable virtual data machine (VDM), powers the unique "Map Once. Deploy Anywhere." capabilities of the Informatica Platform. Worldwide, over 5,000 enterprises depend on Informatica to fully leverage their information assets from devices to mobile to social to big data residing on-premise, in the Cloud and across social networks. For more information, call +1 650-385-5000 (1-800-653-3871 in the U.S.), or visit [www.informatica.com](http://www.informatica.com).